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HARVARD INVESTMENT  
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AZ CORP COMMISSION  
DOCKET CONTROL

November 1, 2007

**HAND DELIVERED**

Commissioner Mike Gleason, Chairman  
Commissioner William A. Mundell  
Commissioner Jeff Hatch-Miller  
Commissioner Kristin K. Mayes  
Commissioner Gary Pierce  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**

NOV -1 2007

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Re: *Circle City Water Company's ("Circle City") Motion for Extension of Time to  
Comply with Decision No. 68246 (the "Motion"); Docket Nos. W-03510A-05-  
0145 and W-03510A-05-0146*

Dear Commissioners:

Harvard Investments, Inc. is the Managing Member of Lake Pleasant 5000, L.L.C. ("Harvard"), which is the developer of the Lake Pleasant 5000 Project (the "Project"). Two parcels of land comprise the Project: (1) the 160 acres in Phase 1, which is adjacent at one point to Circle City's current service area, and (2) approximately 5,000 acres of land which lies north of the Carefree Highway near Lake Pleasant. Pursuant to the Water Facilities Agreement with Circle City, Harvard is responsible for the construction of the water facilities which will be needed to serve the Project.

In Decision No. 68246 (the "Decision"), the Commission granted Circle City's Application to extend its CC&N to the Project. The Decision also required the filing by October 25, 2007 of the Approval to Construct ("ATC") the interconnection between the existing water system and the proposed water facilities located in Phase 1 of the Project and Harvard's Certificate of Assured Water Supply ("CAWS") for Phase 1. Circle City's Motion requests a short extension of the compliance date to January 31, 2008. In support of that request, Harvard confirms the Project's continued need for water service and provides this update on the status of development activities.

To date, Harvard has expended more than \$18.5 million on property acquisition and development activities concerning the Project and \$13.6 million of that amount has been spent since the Decision was issued two years ago. In that regard, on October 1, 2007, the Maricopa County Board of Supervisors approved the Development Master Plan for the Project's roughly 5,000 acres which lie north of State Highway 74. A preliminary plat, grading plan, narrative report, drainage report and landscape plan for the 75 lots on the Phase 1 160 acres are currently under review by Maricopa County. Two of the five departments needed to approve those plans have done so and approvals from the other three are expected by early next year. Since 2005, additional well sites have been acquired, test drilling has been conducted and the existing well located on the Phase 1 acreage has been refurbished.

The processes necessary to secure the ATC and the CAWS are substantially complete. As to the ATC, the engineering plans for the Phase 1 interconnection shown on Exhibit B to the

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Decision have been reviewed and approved by the County's Environmental Services Department ("MCESD"). Harvard's engineers advise that once Circle City completes its review of the plans, the MCESD will issue the ATC within a week. As for the CAWS, the Office of Assured Water Supply review has been completed and no issues concerning the CAWS application were raised by that office. The Department of Water Resources hydrology staff is now in the process of completing their review of the hydrology study. Once the study is approved, public notice procedures and issuance of the CAWS will likely take from 4-6 weeks to complete.

Harvard respectfully requests that the Commission grant Circle City's Motion and extend the filing date on the ATC and CAWS to January 31, 2007. We appreciate the Commission's time and attention to this matter.

Very truly yours,

HARVARD INVESTMENTS, INC.

By: 

Christopher J. Cacheris  
Its: Vice President

**Original and 15 copies** filed with Docket  
Control this 5<sup>th</sup> day of November, 2007.

cc: Brian Bozzo, Compliance Section, Utilities Division (delivered)  
Jay Shapiro, Fennemore Craig